



For October 4, 2016 City Council Meeting

Memo to: City Council and City Manager
From: Brian Carlson, Finance Director
Re: **Energy Assistance Program**

Summary:

Staff is seeking direction regarding the continuation of the Energy Assistance Program, and will prepare a budget documents at a future meeting based on Council feedback.

Background:

The Energy Assistance Program has historically been funded via reserve account during “mid-year” budget revisions, owing to the uncertainty of each year’s revenue. The reserved amount is expended in January, directly to the utility service providers.

Staff unintentionally omitted the program from the “mid-year” discussions in 2016, and as a result, there are not sufficient funds remaining in the reserve account to fund the 2017 payment.

Analysis:

To fund a status-quo program, which is \$550 per account holder, an appropriation of \$715k is required.

Program increases will cost \$12,800 per \$10 increase. Increasing the program to \$600 will necessitate issuing 1099s to all recipients in 2017. Paying the recipients directly, rather than paying the service providers, will entail setting up each account (apprx. 1,280 total) in the City’s Accounts Payable software and mailing checks.

Recommendation:

If Council wishes to maintain the status-quo program, staff recommends moving \$500k, earmarked for “weatherization”, from the Housing Fund, and budgeting an additional \$215k in the 2017 budget, all of which can then be expended in January of 2017. Staff will prepare a 2016 Budget Resolution for the October 19th Council Meeting, and will enter a place-holder figure of \$200k in the 2017 Budget for Council consideration.